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ABSTRACT

This unit on managing sales efforts in a small business, the 14th in a series of 18 modules, is on the second level of the revised PACE (Program for Acquiring Competence in Entrepreneurship) comprehensive curriculum. Geared to advanced secondary and beginning postsecondary or adult students, the modules provide an opportunity to learn about and try out entrepreneurship ideas so that students can make a preliminary assessment of how these ideas relate to personal needs. The units on this level contain detailed explanations of small business principles, suggestions on how to find information and use techniques, and encouragement for creating a future business. Students completing this unit should be able to perform these competencies: (1) list sources of product/service information, (2) describe customer buying motives, (3) list and discuss the basic types of customers to which the business will appeal, (4) demonstrate the process of selling, and (5) discuss sources for finding new customers. The unit is organized into five sections. Following a preliminary section on how to use the unit (with vocabulary and a review of the objectives for this topic on level 1), the unit's information is presented in question-and-answer format. Individual and group activities, an assessment to be completed with the teacher, and sources used to develop the unit follow. A list of the modules of Revised PACE, Level 2 completes the unit. (KC)

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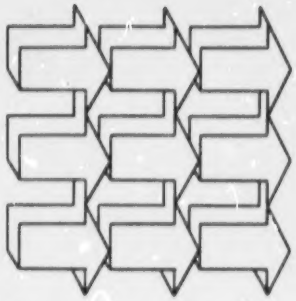

UNIT 14

☐ Level 1
☑ Level 2
☐ Level 3

Managing Sales Efforts

Developed by M. Catherine Ashmore and Sandra G. Pritz

You will be able to:

- **List sources of product/service information.**
- **Describe customer buying motives.**
- **List and discuss the basic types of customers to which your business will appeal.**
- **Demonstrate the process of selling.**
- **Discuss sources for finding new customers.**

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BEFORE YOU BEGIN. . .

1. Consult the *Resource Guide* for instructions if this is your first PACE unit.

2. Read the Unit Objectives on the front cover. If you think you can meet these objectives now, consult your instructor.

3. These objectives were met at Level 1:

   - Discuss the role of selling in different types of small business
   - Define selling as stated by the American Marketing Association
   - Describe what salespeople need to know about their customers to be successful at selling
   - Describe what salespeople need to know about themselves to be successful selling

   If you feel unsure about any of these topics, ask your instructor for materials to review them.

4. Look for these business terms as you read this unit. If you need help with their meanings, turn to the Glossary in the *Resource Guide*.

   buying motive
   prospecting
   selling

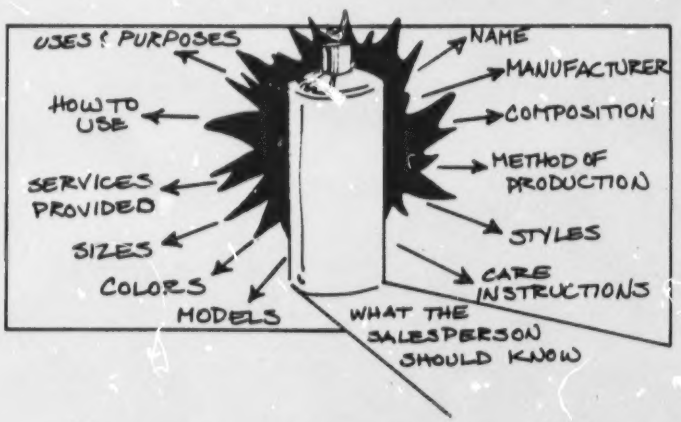
MANAGING SALES EFFORTS

WHAT IS THIS UNIT ABOUT?

Businesses sell products or services. In order to be successful, businesses should not underestimate the need for using efficient selling principles. This unit is designed to provide information on sources of product/service information, identification of the types of customers to which your business will appeal, a description of the selling process, and sources for finding new customers.

WHAT IS THE IMPORTANCE OF PRODUCT KNOWLEDGE?

Modern technology has provided us with many new products. Advertising and other promotions are used to inform the general public or industrial customers of how products can be used. Radio, television, motion pictures, magazines, and newspapers provide the latest information about goods and services. Trade publications inform the industrial customer about products. There are books and magazines with the sole purpose of informing customers about how to get the most for their money. It is therefore the responsibility of every salesperson to develop and maintain merchandise expertise in order to be able to communicate with the informed, as well as the uninformed, consumer. The salesperson should give customers the product information they need for wise buying decisions.



Before the salesperson contacts the customer, time should be taken to evaluate the amount of product knowledge the salesperson possesses and the uses that product has for the customer. In certain situations, it is not necessary or useful to know everything about the merchandise. For example, if you are selling items in a hardware or variety store, a general knowledge of the merchandise and where it is kept is probably sufficient.

Having product/service knowledge is becoming more essential because products and services are becoming more complex. Customers are also better educated and more demanding. Successful salespeople know their merchandise thoroughly before they make a sales presentation. When you are selling expensive, complicated, and technical products, complete knowledge of the goods is invaluable. A

retailer who sells farm tractors, for example, should be knowledgeable of the features and operation of the tractor, because a customer in the market for a tractor usually wants to compare one model with the others. By knowing and understanding tractor features and specifications, the salesperson will be able to provide the customer with the information he or she needs.

WHAT PRODUCT INFORMATION DO YOU NEED?

What information should the salesperson have in order to sell any product successfully? The salesperson should know what is available and what is new or improved. He or she should also know how to use the product and be aware of its features and prices. Other necessary information includes—

- the name of the product or service
- the name of the manufacturer or processor
- the composition of the product (i.e., plastic, steel, rayon), or description of a service
- the method of production (i.e., how product is made)
- what the product will do (i.e., its uses and purposes)
- how the product operates or performs
- the sizes, styles, colors, and models available
- care instructions
- services provided (i.e., alterations, installations, repairs)
- guarantees and warranties
- other information that might be useful in the sales presentation such as method of payment, delivery, and so on

As you can see, obtaining product/service information is important for a good salesperson. The following sources will help you get the information you need.

- Printed materials (tags, labels, manufacturer's booklets, etc.) that accompany the product
- Advertisements
- Instructions with product
- Salespeople and supplier's representatives
- Catalogs, trade magazines, and newspapers
- Coworkers
- Customers who have used the product
- Your experience with the product
- Training programs for salespeople

WHAT ABOUT INDUSTRIAL SALES?

Manufacturers who sell to industrial users must possess a thorough technical knowledge of the product being sold. Because the product must fit the exact specifications of the user, the information needed is probably more detailed than in other selling situations. The customer is concerned with cost versus value, services available, delivery time, modifications, technical information, and cost variances. Therefore, techniques designed to convey information are important in meeting the needs of the industrial customer. These include the following:

- **Cost versus Value.** For this factor, you may have to help educate your customer on what the product means to his or her firm in terms of dollars to be saved when that product is used. The customer company's annual report will supply some information to help in estimating that amount of saving.

- **Services Available.** Here the customer will want to know what you will do after the product is purchased. You should be prepared to answer the following: Will you still make regular calls? Will your company assist with the installation or setup? Can your company make an estimate of the cost for adapting our production lines to the use of your product?

- **Delivery Time.** Can you guarantee turnaround time? Customers do not normally want to carry a large inventory, so they prefer a short delivery period. The customer has to be assured that the time between planning an order and delivery is compatible with her or his production schedule.

- **Modifications.** Customers will be concerned with the modifications that can be made to your product, such as adding a bend, an elbow, more wattage, or adapting other parts. Having the answers ready will help make sales.

- **Technical Information.** Some customers will be very concerned about your product's compatibility with specifications such as tensile strength, malleability, heat tolerance, and so on that are already present in their production line.

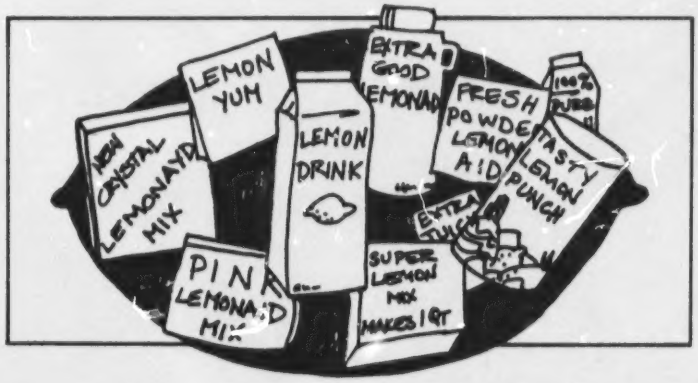
WHAT QUESTIONS SHOULD THE SALESPERSON BE ABLE TO ANSWER?

You and your sales force should be able to answer these questions: What can and can't my product or service do? How do my products or services compare with those of competitors? How can the products or services I sell solve customer problems? How do my products or services relate to other products and systems?

The first of these questions, "What can and can't the product do?" is a prime customer concern. All too often, questions about performance are answered with generalities. For example, the question, "How does this picture tube hold up?" might be answered: "It holds up well, these picture tubes seem to last forever." This answer gives no specific information. The customer may conclude that the salesperson is uninformed about the product or is exaggerating its qualities. Successful salespeople will anticipate questions about performance and will have the facts ready to present in a convincing manner.

Specific answers about performance are helpful and create confidence in the salesperson. A much better answer to the question about the picture tube would be: "People who bought this model up to fifteen years ago were surveyed about the service they have needed. This survey indicated that it required a minimum number of repairs. I also have a copy of *Consumer Reports* magazine that has given our model an excellent rating . . ."

The second question, "How does your product compare with those of competitors?", is often raised by the knowledgeable consumer. Your customers often know quite a lot about the products of others, especially if the contemplated purchase is a large expenditure. In this case, they usually shop around to make price and other comparisons. Knowledge about what your competition has to offer is an asset to you. You should know about your competitor's terms, policies, and services. Keeping up with what the competition is doing is a continuous job. To keep up-to-date, you should carefully read the advertisements of your competitors and listen to what colleagues, friends, or other entrepreneurs have to say about them. You can also learn about competitors by listening to customers and by talking with suppliers, and merchants who handle competing products. This information is invaluable when making comparisons during the sales presentation.



The third question most often asked is "How can the products being sold solve customer problems?" Modern selling methods emphasize problem solving. Finding solutions to these problems is the result of the communication of knowledge and ideas, and today's salesperson is often a customer adviser. However, you must earn credibility with customers before they will accept your problem solving ideas. For example, at the consumer level the customers may want to know what size or type (riding or push) of lawnmower they should buy to fit their needs. At the industrial level, the user of an industrial adhesive product may need a special adhesive for a particular application. In this case, the salesperson may need to have chemical information or rely on supporting personnel who can provide the knowledge to solve the problem.

The fourth question, "How do the firm's products relate to other products and systems?", is another important question. Knowledge of product/service interrelationships comes through experience, discussion, and combined study. Salespeople can learn more about companies and the systems they use by reading trade journals and newspapers. You should also be able to state what the limitations of your product are. Customers may become disappointed when the product does not perform the way they expected. It is better to inform customers of the product limitations in advance. If several products or services are needed to accomplish a particular job the salespersons who know how their products and services relate to each other and their limitations in a given situation will have the advantage over those who do not.

Your knowledge about systems may be a pleasant surprise to customers. A real estate salesperson who can arrange to sell a home before another one can be purchased, who can help arrange financing, and who can give the client information about the location of schools, tax rates, insurance availability , and shopping districts will earn respect and the continuing business of customers.

WHY DO PEOPLE BUY?

Your selling success may be affected by more than just personality. Motivation also has a great deal to do with whether or not a customer buys. Buying motives are the needs, desires, and impulses that convince a customer to purchase a particular product or service from a particular business. Buying motives may explain why customers buy and why they buy where they do. Industrial customers as well as ultimate consumers have buying motives. The consumer's buying motives are, of course, more personal than those of the agent or buyer who buys for use or resale.

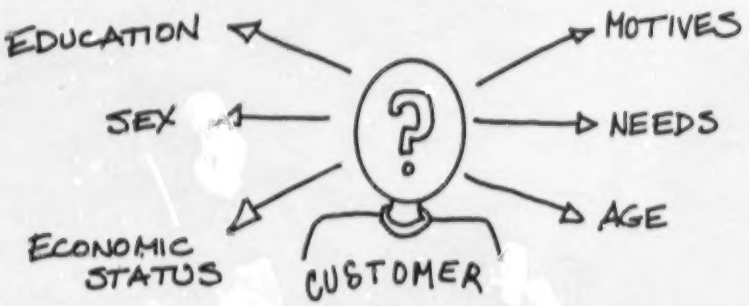
People have certain basic motives that affect their buying decisions. Food, drink, shelter, and comfort are basic motives. Our desire for good health and security in addition to concern for the welfare of loved ones are also basic buying motives.

In addition to basic motives, there are "learned" desires that are acquired as people mature. These motives are largely a result of our surroundings or environment. The successful salesperson does not underestimate the influence that these motives can have upon a customer's buying decision.

Most people look for convenience, efficiency, and dependability in the goods and services they buy. People like bargains. They like good product construction, style, and beauty. Customers are also motivated by their curiosity about the product. They want to know what makes the product "tick".

The psychology of why people buy is complex. When most people buy a product or service, they are attempting to satisfy more than one motive. They may not be aware of their buying motives. You can learn more about their motives if you are observant and try to analyze your own buying motives. Learning how to appeal to and

understand basic and learned buying motives can help you sell more successfully. The effective salesperson is able to determine and capitalize on buying motives.



DO CUSTOMERS BUY ONLY PRODUCTS?

The effective salesperson knows that customers don't buy "things"; they buy services and products that they believe will satisfy their needs and wants. The customer has to believe in what he or she purchases. The salesperson will therefore try to sell the customer ideas, reasons, and concepts (such as happiness and self-respect), in addition to the product. For example, the successful salesperson—

- sells neat appearance and attractiveness in addition to clothes,
- sells foot comfort and style along with shoes,
- sells rooms that have beauty, comfort, and newness while selling furniture,
- sells pleasant hours and knowledge while selling books,
- sells playthings that make children happy while selling toys,
- sells the satisfaction and profit of making your own things while selling tools, and
- sells the low cost per mile and freedom from worry that comes with good quality tires.

ARE THERE DIFFERENT TYPES OF CUSTOMERS?

The guidelines in the table on the following page will help you work with your customers. The table shows customers by type of personality.

Industrial customers can also be classified using these personality types. An understanding of customer personalities may be useful in getting past this type of customer's secretary. You can get some idea of what kind of customer you may be dealing with when you sell the secretary on allowing you to have an appointment. You have another primary advantage in industrial selling: there is time to prepare your sales presentation prior to meeting the customer. You can, for example, preplan your opening, consider a variety of strategies to overcome objections, and examine a number of ways to close the sale.

Although the customer types in the table are good generalizations, all customers are different and should be treated as individuals. They may also switch from being one type of customer to another type in a short period of time or as circumstances change. However, your effectiveness as a professional salesperson will be greatly increased by your ability to perceive the major customer personality types and your knowledge of how to treat them.

WHAT ARE THE STEPS OF A SUCCESSFUL SALE?

There are numerous descriptions of how the selling process functions. The basic five step selling process can be adapted to specific selling situations. The five steps are (1) opening the sale, (2) determining customer needs, (3) presenting the product or service, (4) overcoming objections, and (5) closing the sale.

HOW DO YOU OPEN THE SALE?

The opening of the sale, or *approach*, is very important in determining the outcome of the sale. Developing a proper customer approach requires skill and judgment, friendly interest, and a sincere desire to be of service. In the approach, the objective is to gain the interest of the prospect and to put him or her in a receptive frame of mind. If this is done properly, the sales transaction will probably be successful.

First impressions are important in selling. Many times the first impression determines how much attention and time the salesperson will receive. In some types of selling, the first moments of the sale may set the tone and determine the success or failure of the sales presentation.

The approach should always be positive. The customer should be welcomed with a smile and a pleasant greeting and made to realize that the opportunity to serve him or her is appreciated by the salesperson and by the company. The salesperson should be prompt and enthusiastic—salespeople must sell themselves before they can sell a product or service. The salesperson should be sincere, friendly, and courteous and have a desire to serve rather than sell the customer. A salesperson combines all the elements of a good approach and also—

- helps put customers at ease;
- helps the customer identify what it is he or she is interested in seeing;
- helps create a favorable customer impression of a product and the company that is selling that product;
- helps build customer confidence;
- helps start the sale and involves customers in what is being sold.

WHAT TYPES OF APPROACHES ARE THERE?

Industrial approach. The *industrial approach* is used in selling to businesses. A handshake combined with a friendly greeting is common practice in this approach. If you know the person well, greeting him or her by name adds a more personal touch. Then an opening statement of a somewhat general nature is usually made. It is best if you do not move directly into the sales presentation. You should offer creative thoughts about your company, the potential

customer's company, the product or system that the product is a part of, or other current news. Keeping well informed and in tune with the business world provides interesting ideas and information that may be offered in an opening statement. Gathering information for such an opening is done as a part of preplanning.

Selecting the best industrial approach depends on how well you have researched the background of your customers and how sensitive you are to their needs. On a first call, your approach ought to be product oriented. When you call the second time, you will know more about the firm and the prospective customer's needs.

Retailing approach. The merchandise approach is usually the most successful of retailing approaches. It is used when a customer is examining merchandise. In this approach, you begin by making a statement or asking a question about the merchandise that seems of interest to the customer. This ties the customer's attention and interest to the merchandise. For example:

> **Salesperson**: (Approaching a customer who is looking at a sweater.) "This sweater is 80 percent wool and 20 percent dacron. It is wrinkle-free and the wool makes it very warm. It's also washable."
>
> **Customer**: "Washable? No ironing? Great! What colors do you have in my size?"

Another approach in retailing is the *personal approach*. In this situation, the customer is well-known and is recognized on an individual basis. This approach is effective because it personalizes the initial contact. Most customers like to be shown special recognition. They respond receptively. Using the personal approach creates a friendly atmosphere, and helps build good will for the store. It should be sincere, however, and not overdone. The following is an effective personal approach.

> "Good morning, Mr. Brillhart. Do you remember the circular saws you were asking about the other day? They just arrived."

TABLE 1

GUIDELINES FOR WORKING WITH CUSTOMERS

Type of Customer	How to Recognize	How to Handle
Browsing (casual customers)	1. Say they are just looking. 2. Move slowly and finger merchandise. 3. Often move away when approached.	1. Be pleasant and welcome to look. 2. Don't pressure. 3. Invite back to store, even if the customers don't buy.
Talkative (friendly) customers	1. Are friendly, jovial. 2. Like to talk and gossip. 3. Apt to discuss personal matters. 4. Will hold up other customers.	1. Listen 2. Don't become personal. 3. Don't gossip. 4. Bring back to topic of merchandise 5. Don't get impatient.
Silent (unfriendly) customers	1. Are not positive in nature. 2. Are not enthusiastic. 3. Talk very little.	1. Don't talk too much. 2. Watch their actions. 3. Demonstrate merchandise. 4. Give selling points slowly. 5. Be patient. 6. Ask questions with a "yes" or "no" answer.
Undecided customers	1. Continually change their minds. 2. Are afraid of not getting their money's worth. 3. Often will go home to think about it.	1. Help customers decide. 3. Be firm and convincing. 4. Show variety of merchandise, one item at a time. 5. Look for signs of interest.
Decided (deliberate/positive) customers	1. Know what they want. 2. Are business like in nature. 3. Are direct in manner. 4. Ask for specific items.	1. Show merchandise quickly. 2. Give selling points in direct, business-like manner. 3. Let customers do the talking. 4. Use caution in suggesting substitutes.
Hurried, nervous, impatient customers	1. Quick and abrupt. 2. Act nervous. 3. Demand attention quickly. 4. Often talk fast and loud.	1. Serve promptly. 2. Sympathize with their problems. 3. Be alert—act quickly. 4. Use caution in suggesting substitutes. 5. Cover steps of a sale as soon as possible.

The *service approach* in retailing is used when the customer is not looking at merchandise, is unknown to you, and may be waiting for someone to assist her or him. This is the most commonly used but usually least effective approach, and should be used only when you are unable to use another type of approach. Examples of questions used in this approach are: "May I help you?" "Is someone helping you?" "Have you found what you are looking for?"

HOW DO YOU DETERMINE CUSTOMER NEEDS?

In all types of selling, the object is to meet the needs of the buyer. The second step of the selling process is determining what your customer wants and needs. In some selling situations, you may know in advance what the customer wants, or at least have a general idea. Some customers can state exactly what they are looking for.

Other customers may not know what is available and will need your advice. In this situation, you must listen carefully to find a selling signal in the conversation. You may also ask a few well chosen questions to identify the item that is needed. These questions depend upon the article needed and the information given by the customers. Avoid asking too many probing questions that could make the customer impatient. Only questions that help pinpoint what the customer wants should be asked. These questions might concern the intended use of the merchandise and the identity of the user; the person buying the merchandise is often purchasing it for someone else.

Asking customers point-blank how much they want to spend is not a good idea. Instead, the salesperson should start by showing items in the medium price range and then work up or down according to the customer's reactions. Observations of the customer's clothes, actions, and comments can also be used as a general guide to the type of merchandise being bought. However, you must be careful not to place more emphasis on your customer's appearance than on your communication with him or her.

HOW DO YOU PRESENT THE PRODUCT OR SERVICE?

The third step in the selling process is the presentation of the product or service. The presentation is the process of proving that the product can and will do what the salesperson says it does. Once the salesperson knows what information or merchandise the customer wants, then the product must be shown to the customer and its selling points demonstrated. How you present the product or service may be a deciding factor in the customer's decision to buy.

It has been estimated that customers remember only 10 percent of what they hear and 35 percent of what they see. Customers retain about 65 percent of the information received with a combination of seeing and hearing.

No one likes to listen for too long a period of time. If people are "talked at" for any length of time, their attention wanders. "Talking at" rather than "speaking with" prospects loses many sales. A salesperson who simply sits across a desk and recites a list of memorized sales points may be perceived as insincere by prospective customers.

Involvement is the key word in a successful sales presentation. If you can involve the customer, your demonstration and selling points appear to be more personal and more tailored to individual needs. The more senses you can appeal to, the more effective the presentation will be. When you involve customers in handling and demonstrating the merchandise, the amount of information they retain skyrockets to between 75 and 95 percent. You can involve customers by handing them samples to examine or blueprints and illustrations to view. Then together look at and talk about the samples. Physical acts such as holding a product, helping unfold charts, and testing the way something works also produces a feeling of involvement.

Through experience, the salesperson will learn to sense how well the presentation is going. If you are alert to your customer's reactions, facial expressions, and other body language, you can often sense their acceptance of your presentation. However, at times they may not comment on what they like or dislike and you may have to ask additional questions.

Your knowledge of the product and its operation is also evident in the presentation. Abundant knowledge used discreetly helps tremendously in persuading customers to buy.

When you are presenting the merchandise, you are also selling possible solutions to the customer's problems. Customers buy merchandise they think will help them or their company. When presenting products, tell customers how the merchandise will satisfy their individual needs.

The following is a summary of "do's" and "don'ts," in presenting merchandise.

DO—

- present the product or service promptly and stress its values and benefits.
- determine the interests of the customer and know why customers buy your product.
- involve the customer and appeal to several senses in the presentation.
- know yourself, your customers, your store, and understand what your goods and services can do for the customer.

DON'T—

- stress price and confuse the customer by showing too many items at once.
- start at an extremely low or high price if no price preference is stated by the customer.
- forget the buying motives of your customer.
- rush the customer.
- push your personal preferences onto the customer, even if an opinion is asked.

HOW CAN YOU OVERCOME CUSTOMER OBJECTIONS?

The fourth step in the selling process is to overcome objections. A critical moment in the sale occurs when you hear a customer raise an objection. What you do next determines whether you turn an objection into a sale, or meekly accept the objection as a valid reason for failure.

Before objections can be overcome, they must be understood. The customer may raise objections for the following reasons.

- **The customer is not convinced of a need for the item.** In this case, you must provide additional information about the product or point out the additional worth and uses it has.
- **The customer has insufficient information on which to make a buying decision.** He or she may not know about certain features of your product. You may not know your customer wants a remote control television until you show that customer several sets and she or he says "I like that model but I wanted one with a remote control." You then simply show the desired model (if you have one).

- **The customer thinks the price is too high.** If you can give the customer information about the product that will justify the price, this objection may be avoided. You may point out the fabric quality or extra features. If the price objection cannot be solved by justifying the price of the item, a less expensive item should be shown. If the price objection cannot be solved by showing a less expensive item, you can offer the use of a charge account or a layaway plan.

- **The customer is misinformed about the product.** You must know or be able to obtain complete product information to convince the customer to buy.

- **The customer wants to "think it over" or have more time before buying.** The customer may want to compare products or ask a friend's opinion about buying. You should not be "pushy" in trying to convince customers to buy immediately. Let them know they are welcome back any time. You might also want to remind them of the benefits and uses of the product before they leave.

CAN YOU DEVELOP EXPERTISE IN OVERCOMING OBJECTIONS?

Too many inexperienced salespeople fear objections because they do not know how to cope with them. To an experienced salesperson, an objection is often a sign that the prospect wants to know more about the product or service being sold. Correctly handled, objections can be converted into selling points in your favor.

How can salespeople prepare themselves to answer objections? No matter what method you use, listen carefully to and act interested in the customer's objection. The customer becomes obligated to listen to your answer in the same courteous manner. When answering the objection, you should not hurry. Pausing not only allows you time to answer the question correctly and properly, but also indicates respect for your customer. You also show that you feel your customer's objection is worth voicing.

Two additional rules to follow when answering objections are—

- Never argue when overcoming objections. The best way to lose a sale is to win an argument.

- Never magnify an objection. Generally, the longer an objection is discussed, the larger it becomes.

There are a number of methods used in answering objections. One method is called the *yes-but* method. In this method, the salesperson agrees with the customer but points out an advantage equal to or greater than the objection. When a customer raises a point or objection you would first agree with the customer, then respond in a logical manner. For example: "Yes, I understand how you feel about 100 percent cotton. But did you know that cotton is the coolest fabric? For your trip to Acapulco in August, cotton would be ideal for you."

When using the *boomerang* method, the salesperson attempts to turn the prospect's objections around and direct it back at the prospect in the form of a reason to buy.

> **Customer**: "You don't use any soap in cleaning my carpet. I can't believe that it'll come out clean."
>
> **Salesperson**: "We have found that soap residue resulting from carpet cleaning is the main cause of new soil. With steam cleaning, we can clean your carpet without leaving soap residue. Your carpets will stay clean longer."

Sometimes you will discover hidden or unexpressed objections. The *direct question* method is used when customers are not yet ready to buy and have not raised any objections as to why they should not buy the items. Direct questions should ask who, why, what, and when. For example—

> What color did you buy last time?
>
> When would you like to have it delivered?
>
> Why did you buy a two-door model the last time you bought a car?
>
> Who will be using this car the most?

These techniques for handling objections can be used alone or in combination. You will also find that in certain situations a specific method may work best. However, don't attempt to rigidly classify objections and feel that any one method or combination will work in a given situation.

The techniques you use to overcome objections should not appear "canned." Practice with them. You will need to feel confident with the techniques before you use them with customers. Experience at handling objections will enhance your perceptions about customer behavior and you will soon become a better salesperson because of it.

HOW DO YOU CLOSE A SALE?

The last step in the selling process is closing the sale. Your success in selling ultimately depends not on your ability to find, interest, or make friends with prospects, but on your ability to close.

In today's competitive markets, a good salesperson must know when to close. More sales are lost because the salesperson did not try to

close at the right time; he or she either waited too long or tried to close before the buyer was ready.

The salesperson should be prepared to close at any time during the selling process. The three steps of the selling process—the presentation, overcoming objections, and closing—are all closely connected. It is impossible to tell exactly where one step ends and the next begins. A customer may be ready to buy before you get through your presentation. The customer may have no objections about buying the product. If there are objections, closing should be attempted when the salesperson feels that he or she has met the customer's objections. In general, if you have created favorable conditions throughout the selling process the closing of the sale will come naturally.

It should be noted that your first try at closing may not succeed. Do not become discouraged. The closing may have failed because the customer desired more information. You may need to reemphasize product/service benefits or answer additional objections. You should attempt to close again and again. Do this, of course, in a manner that does not offend your customer.

Do not be afraid to close. You are a salesperson and the customer expects you to sell merchandise. Don't be bashful. Be bold and forceful in closing, but avoid being too pushy and possibly irritating your customer. Closing should be natural and logical—not a battle of nerves or wits.

WHAT ARE CLOSING SIGNALS?

The time to close is when the customer is ready to buy. Knowing how to read customer buying signals is the only "secret" good closers have. There are two ways to determine whether the customer is transmitting a buying signal: one is to watch the customer and the other is to listen to the customer.

Watch the Customer. You should be aware of physical actions and facial expressions. The customer may be smiling, have a peaceful look, and an overall agreeable expression. The customer may reach for a purse or billfold. The customer may pick up a certain item several times to examine specific features. The customer may step back for a better look, or may lift an item or give some other sign such as rereading part of the literature or examining the label. Usually, these actions indicate that the buyer would like some help in making a decision. These are times when you should try to close the sale.

Listen to the Customer. Customers may ask certain questions that tell you they are thinking about buying the product. Listen for questions such as: "Do you deliver?" May I put this on layaway?" May I exchange this or get my money back if I change my mind later?" Such questions indicate that they are interested in making a purchase. Customers may make statements that show they want to buy, but need further encouragement to do so, such as: "I hadn't planned on buying this today," or "I don't really need this jacket, but I like it." They may also simply state that they wish to buy. These are all good times to close the sale.

ARE THERE METHODS FOR CLOSING A SALE?

There are a number of methods to use in closing a sale. Experimentation with these and other closing methods is advisable. By experimenting you will learn the "best" ways to close in specific situations. Five of these methods include the following.

- Ask for the order. This is the most overlooked method for closing a sale. Some customers like this frank, straightforward approach.
- Summarize the main points of the sales presentation. You should emphasize the selling points that appeal most to your customer.
- Assume that the customer has decided to buy. You can indicate this by your actions or by making a statement showing you feel the sale has been made.
- Close on a minor point. It is easier for a customer to make a minor decision than a major one. Asking which color the customer prefers or if he or she will pay cash or charge the item can close the sale.
- Offer added incentives. Offering free delivery, alterations, or a cash discount when the customer hesitates are examples of incentives.

WHAT IS SUGGESTION SELLING?

Once the sale has been closed on the merchandise desired by the customer, the salesperson has an excellent opportunity not only to serve the customer further but also to promote his or her own interests through suggestion selling. This is particularly true in retail selling. You may suggest another item to accompany the merchandise sold or suggest new merchandise, a product on sale, or a special purchase. Customers often welcome suggestions because it saves time and effort and makes shopping more pleasant. The store's image is also enhanced because customers feel that the store is interested in serving them.

WHAT DOES FOLLOWING-UP THE SALE REQUIRE?

As an industrial salesperson, you should never leave a customer without having a reason to call back. The follow-up is the opportunity you need to prove your credibility. This is an important step in developing your reputation as a salesperson. You must ask the customer permission to call back. Make sure you request a choice of days rather than a "yes" or "no" answer. You might say, "I would like to hear your reactions to the sample I'm leaving. May I call you on Thursday or would Friday be better?" Be sure to thank the customer and the receptionist on your way out. As soon as you get to the car, write in your customer contact log (a notebook with a company on each page) the date, who you saw, what happened, what you are supposed to do, and the date by which this is supposed to be done. Also, record the date you are supposed to make the call or stop.

HOW IMPORTANT IS FINDING PROSPECTS?

Unless customers "beat a path to your door," a great amount of time may be devoted to finding prospects. Finding prospects is an important dimension of the selling effort in many businesses. A list of

prospective customers is always changing. Customers sometimes go out of business, retire, move, decide to purchase from someone else, and so on.

Salespeople are constantly replacing or adding customers. In addition, some businesses sell products/services that even good customers buy relatively infrequently, such as insurance, major appliances, automobiles, fork lift trucks and pallets. Salespeople for these products/services must always seek new customers or they will go out of business.

WHAT ARE SOME OF THE SOURCES FOR FINDING NEW CUSTOMERS?

Armed with information about yourself, your company, and your merchandise, you can enter into the selling process with confidence. First, however, you must have potential customers or clients. You should find out who and where your prospects are. Does the prospect have the authority to make the buying decision? People you identify as prospects who do not have money or credit will not be productive contacts. Who will buy your products and services and where are these customers located? Creativity and initiative set the limit on the prospecting skills of a salesperson. There are several ways of meeting prospects. They include—

- joining organizations. The entrepreneur and successful salesperson will want to join local organizations such as civic groups. You will be joining an organization of potential customers and obtaining referrals.

- making contact with people who do business with your type of customers. If you use this method, you may pay for "leads" or referrals to prospects. This is done in many fields. In the automobile business, salespeople may pay a flat fee to have new prospects referred to them. You should know, however, that paying fees for prospects in the real estate field is an illegal practice. You should find out under what circumstances your state allows this practice.

- getting sources from customers. Satisfied customers will often refer friends and relatives to you. You may ask customers for references or simply ask them to "tell their friends."

- surveying public references. Careful reading of news items and want ads provides news about people moving in and out of town and may suggest leads for certain kinds of goods and services.

- canvassing door-to-door. Although it is very hard work, those using this method will usually find customers.

- reading directories and trade registers. These publications offer a rich supply of references. *Moody's Industrial Manual, Dun & Bradstreet's Reference Book, Thomas' Register of American Manufacturers*, and state directories are examples of publications that will give you detailed information about thousands of companies. Local chambers of commerce and city directories are also a source of information.

ACTIVITIES

Do you feel knowledgeable about what it takes to become a successful salesperson? Will you be able to put some of the skills into practice? The following activities will help you to apply the material presented in this unit.

INDIVIDUAL ACTIVITY

Get a self-evaluation form from your instructor. This quiz has been adapted from a test developed by the National Sales Development Institute. Once the self-evaluation has been completed, you can plot a graph of weaknesses and strengths. This will give you a pictorial view of your selling talents. Be honest in your responses.

GROUP ACTIVITY

Get together in groups of three to four persons. Review the information presented in this unit by having each person in your group perform a sales demonstration. Each person should select a different product. Try to have the performances in your group demonstrate the different types of customers you may meet in an actual sales job and the different methods of overcoming customer objections. Get the rating sheet for the DECA sales demonstration competitive activity from your instrcutor. Rate each demonstration by group discussion and decision.

CASE STUDY

Lisa Montague has been working at the Burris Department Store for seven months. To her dismay, a reorganization took place and she was transferred to women's blouses on the main floor just as her confidence in dealing with customers was growing. On the second morning in the new department, Lisa noticed a woman frowning at one of the racks of blouses. As Lisa approached the woman, she smiled and the following exchange took place:

Lisa: Those blouses do come in a lovely selection of colors, don't they?

Customer: Well, I was just thinking how sick I am of those pale washed-out pastels! Don't they make a rich yellow anymore?

Lisa: You're so right! It's been ages since I've seen any real bright colors.

Customer: I don't suppose you've got anything in bright yellow?

Lisa: Well, I do have this shirt in bright yellow—it has an interesting cut, don't you think?

Customer: That looks like linen.

Lisa: Well, it does look like linen, but according to the manufacturer, it's 75 percent polyester and 25 percent cotton. It requires no ironing and it should hold its shape no matter how many times it's washed.

Customer: I don't care what the manufacturer says it is. I can recognize linen when I see it. Don't you know those manufacturers are out to cheat you blind?

Lisa: Some may be unethical, but our buyers avoid doing business with them.

Customer: I hate linen! It's uncomfortable and always wrinkles. Imagine buying a linen blouse! Someone in this town must sell bright yellow no-iron blouses! Good day, young lady.

1. What do you think Lisa's main problem was in dealing with this customer?

2. If you were Lisa's supervisor or friend, what advice would you have given her?

3. Rewrite the dialogue. Put yourself in Lisa's place and show how you would have tried to overcome the objections of this customer.

ASSESSMENT

Directions: Read the following assessment questions to check your own knowledge of these topics. When you feel prepared, ask your instructor to assess your competency on them.

1. Name five different types of customers based on types of personalities. Describe each type and provide some suggestions on how a salesperson might successfully handle each type.

2. Discuss why it is important for a salesperson to possess complete knowledge about the products or services he/she sells.

3. Presentation is a very important part of the sales process. Discuss some of the positive and negative characteristics of an effective sales presentation.

4. Define prospecting. What are some of the sources available for finding new prospects?

NOTES

[1]"Self-Evaluation Tests for Strengthening Your Selling Skill." Waterford, CT: Bureau of Business Practice, National Sales Development Institute, pp. 28-35.

[2]Ashmun, Richard D. and Kohns, Donald P. *Problems and Projects for Retailing Principles and Practices.* (7th ed.) New York: Gregg Division, McGraw-Hill Book Co., 1982 pp. 37, 38.

We thank the above authors for permission to reprint from their work.

OTHER SOURCES USED TO DEVELOP THIS UNIT

Hodgetts, Richard M. *Effective Small Business Management.* New York: Academic Press, 1982.

Baty, Gordon B. *Entrepreneurship for the Eighties.* Reston, VA: Reston Publishing Co. 1981.

Alessandra, Anthony J.; Wexler, Philip S.; and Deen, Jerry D. *Non-Manipulative Selling.* Reston, VA: Reston Publishing Co., 1979.

Brownstone, David M. *Sell Your Way to Success.* New York: John Wiley & Sons, 1978.

For additional information, consult the lists of additional sources in the *Resource Guide.*

Level 2

PACE

Unit 1. Understanding the Nature of Small Business

Unit 2. Determining Your Potential as an Entrepreneur

Unit 3. Developing the Business Plan

Unit 4. Obtaining Technical Assistance

Unit 5. Choosing the Type of Ownership

Unit 6. Planning the Marketing Strategy

Unit 7. Locating the Business

Unit 8. Financing the Business

Unit 9. Dealing with Legal Issues

Unit 10. Complying with Government Regulations

Unit 11. Managing the Business

Unit 12. Managing Human Resources

Unit 13. Promoting the Business

Unit 14. Managing Sales Efforts

Unit 15. Keeping the Business Records

Unit 16. Managing the Finances

Unit 17. Managing Customer Credit and Collections

Unit 18. Protecting the Business

Resource Guide

Instructors' Guide

Units on the above entrepreneurship topics are available at the following three levels:

- Level 1 helps you understand the creation and operation of a business
- Level 2 prepares you to plan for a business in your future
- Level 3 guides you in starting and managing your own business

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